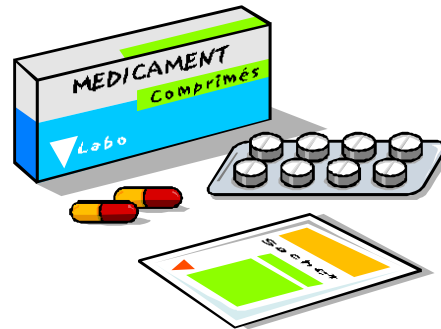




Flex News



Over-the-Counter Medicines & Drugs

On September 3, 2003 the IRS issued Revenue Ruling 2003-102 that significantly changed the type of expenses that qualify for reimbursement from your health care flexible spending account (FSA). **Over the Counter (OTC) drugs and medicines purchased to treat an existing or imminent medical condition now qualify as a covered medical expense through the FSA. Please see the claims procedures below for filing**

requirements for the remainder of your current plan year as well as for future election planning.

This means items such as allergy medications, smoking cessation medications, aspirin, cold medications, vitamins and nutritional supplements, etc. can be claimed **if they are purchased to treat an existing or imminent medical condition.** None of these items can be claimed if they are purchased for general health purposes or for

possible future use. For example, if you purchase a large supply of aspirin to have available in case you need it sometime in the future, it will not qualify.

Our claims procedures regarding over the counter items are listed below. In addition to these specific guidelines, all other general requirements for claims apply. The general requirements are listed on the back of the claim form.

Claims Procedures – OTC Drugs & Medicines

In addition to existing documentation and claims requirements, claims for over the counter drugs or medicines must include the following:

- ♦ The receipt or documentation from the store must include the name of the drug printed on the receipt. This information must be provided by the store, not just listed by the participant on the receipt or on the claim form.
- ♦ The participant must indicate the existing or imminent condition on the receipt, on the claim form or on a separate enclosed statement each time these items are claimed. Purchases for general good health will not be accepted.
- ♦ To claim, vitamins, herbs or nutritional supplements, you must have a written diagnosis of the medical condition and "prescription" of all specific items for that condition on file with the claims office. You must renew this physician notice every 12 months and file it with the claims office with the first claim submitted for them each plan year.

Qualifying OTC Medicines & Drugs

(purchased due to an existing or imminent condition)

- ◆ allergy medicines
- ◆ cold medicines
- ◆ aspirin or pain medicines
- ◆ creams or ointments
- ◆ antibiotics
- ◆ vitamins & nutritional supplements (only if to treat a specific medical condition – see the claims procedures on the reverse side of this notice)

Non-Qualifying OTC Medicines & Drugs

(purchased for general health purposes)

- ◆ vitamins
- ◆ herbs
- ◆ nutritional supplements
- ◆ cosmetic supplies
- ◆ large supply of qualifying items, not for existing or imminent condition
- ◆ Band-Aids or other non-medicines
- ◆ general hygiene items (toothpaste, deodorant, etc.)

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